

## Objective Validation Confirms State Efficiency Initiatives Save More than Half a Billion Dollars

Deloitte Consulting's comprehensive analysis of CMS' efficiency initiatives demonstrates that the State of Illinois saved more than \$529 million during FY04 and FY05. Deloitte conducted an independent review of more than 100 individual projects CMS implemented under Gov. Blagojevich's mandate to improve government operations, increase transparency and accountability and reduce overall costs.

To meet the Spring 2005 recommendations of both the Office of the Auditor General and the Legislative Audit Committee, Deloitte was hired to analyze efficiency projects and present a thorough documentation of the savings the State of Illinois achieved. Deloitte developed a rigorous method to analyze and validate these savings and help evaluate both current and future efficiency initiatives.

### How CMS achieved these savings:

- 1) *Procurement, Healthcare and Employee Benefits* – Renegotiated contracts with many vendors to lower overall costs. Improved purchasing process to better evaluate cost/benefit of purchases. Reduced costs through new employee benefits plan. Increased federal government reimbursements.
- 2) *Information Technology and Telecommunications* – Reduced number of outside contractors. Renegotiated contractor rates. Reorganized and reduced headcount of IT workforce. Controlled costs of new IT purchases. Renegotiated cell phone rates.
- 3) *Facilities Management, Internal Audit and Legal* – Reduced need for outside legal counsel and other consultants while reducing overall headcount. Achieved efficiencies with new software.
- 4) *Fleet Management* – Reduced state fleet by 1,600 vehicles. Sold unneeded cars and trucks. Lowered fuel and maintenance costs due to reduced fleet size. Carefully review the need for new vehicles.
- 5) *Media Services* – Reduced overall headcount. Introduced technologies to improve operations.

**Deloitte today validated that CMS' efficiency initiatives saved more than \$529 million in FY04 and FY05:**

<i>Initiative</i>	<i>Cost Savings (in millions)</i>
1) Procurement, Healthcare and Employee Benefits	\$216,905
2) Information Technology and Telecommunications	\$210,930
3) Facilities Management, Internal Audit and Legal	\$ 82,707
4) Fleet Management	\$ 17,136
5) Media Services	<u>\$ 1,871</u>
<b>Total Validated Savings (FY04 and FY05)</b>	<b>\$529,549</b>

FY04 Savings total \$213 million

FY05 Savings total \$316 million